

Message Text

UNCLASSIFIED

PAGE 01 SAN JO 00128 131637Z

44

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-02 RSC-01 PRS-01 SP-02 SS-15

USIA-15 AID-05 EB-07 OMB-01 COME-00 TRSE-00 /079 W

----- 011589

R 102136Z JAN 75

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC 9032

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

AMEMBASSY PANAMA

UNCLAS SAN JOSE 0128

C O R R E C T E D C O P Y - ADDING REFERENCE LINE

GUATEMALA ALSO FOR ROCAP

E.O. 11652: N/A

TAGS: ETRD, EFIN, CS

SUBJECT: NEW CONSUMPTION TAXES: METHOD OF CALCULATION

REF: SAN JOSE 0127

1. COSTA RICA'S NEW CONSUMPTION TAX SCHEDULE IMPOSES RATES WHICH VARY FROM 10 TO 100 PERCENT AS COMPARED WITH THE PREVIOUS SCHEDULE OF 10 TO 50 PERCENT WHICH WENT INTO EFFECT IN MARCH, 1972. IT ALSO DIFFERS FROM THE EARLIER SCHEDULE IN THAT IT IMPOSES HIGHER TAX ON IMPORTS THAN ON LOCAL OR CACM GOODS.

2. THE TAX WILL BE ASSESSED ON THE IMPORT VALUE, OR IN THE CASE OF DOMESTIC PRODUCTS, THE MANUFACTURED VALUE OF AN ITEM, PLUS THE INCREMENT IN PRICE RESULTING FROM OTHER TYPES OF TAXES ASSESSED ON THE ITEM. A MERCHANT'S PROFIT WILL NOT ENTER INTO THE TAX CALCULATION BUT WILL BE ADDED ON TOP. THE FOLLOWING EXAMPLE TAKEN FROM LA NACION

UNCLASSIFIED

PAGE 02 SAN JO 00128 131637Z

OF JANUARY 10 DESCRIBES THE METHOD FOR CALCULATING THE CONSUMPTION

TAX ON AN IMAGINARY IMPORTED ITEM WHICH WOULD
BE TAXED AT THE HIGHEST RATE OF 100 PERCENT.

COST OF ITEM, CIF	100 COLONES	
SPECIFIC AND VALUE ADDED TAX (IMPORT TAX)	50	
	150	
30 PERCENT PROTOCOL OF SAN JOSE TAX	45	
	195	
199 PERCENT SELECTIVE CONSUMPTION TAX	195	
	390	

IF THIS ITEM HAD BEEN LIABLE TO THE HIGHEST PREVIOUS LEVEL
OF THE CONSUMPTION TAX PRIOR TO THE ISSUANCE OF THE NEW
DECREE, I.E. TO A 50 PERCENT RATE, ITS COST WOULD HAVE BEEN
AROUND 292.50 COLONES. THUS THE RISE IN THE CONSUMPTION TAX
WOULD MEAN A 97.50 COLONES (33 PERCENT) RISE IN PRICE TO THE
MERCHANT.

OGG

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORT PRICES, TAXES, ECONOMIC PROGRAMS, TAX RATES
Control Number: n/a
Copy: SINGLE
Draft Date: 10 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975SANJO00128
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750012-0884, D750011-0481
From: SAN JOSE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750161/aaaacbvyy.tel
Line Count: 79
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 SAN JOSE 0127
Review Action: RELEASED, APPROVED
Review Authority: CollinP0
Review Comment: n/a
Review Content Flags:
Review Date: 02 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 APR 2003 by RicharJA>; APPROVED <17 FEB 2004 by CollinP0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NEW CONSUMPTION TAXES: METHOD OF CALCULATION
TAGS: ETRD, EFIN, CS
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006